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Digital Innovation & Choice

Digital Economy, Entrepreneurship, Consumer Choice, Competition, Investment

Innovation & Choice Roundtable

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Digital/ICT Regulators should stimulate the deployment of high quality, secure and sustainable digital infrastructure everywhere and for everyone, support emerging technologies and innovative business models and accelerate sustainable digital transformation.

Regulators Key Challenge 1: Regulating a fast-paced tech environment

Innovation and technology advance faster than regulation.

Regulation should not block innovation however modern regulatory frameworks need to ensure that innovation serves fundamental societal goals and enhances prosperity and well-being on a sustainable basis.

We need to address the regulatory challenges raised by emerging technologies and support socially beneficial innovations. In this context it is important to decide how stakeholder engagement, impact assessment, risk assessment, institutional co-operation need to evolve in a context of rapid innovation and technological change.

The approach of the Body of European Regulators for Electronic Communications (BEREC) on 5G regulation as an example:

Monitor the developments and the evolution of the technology and identify issues that might require regulatory interventions in the future but avoid the introduction of regulations early to allow the technology to develop

Regulators are part of the innovation ecosystem with tools such as regulatory sandboxes, collaborative regulation and data driven regulation.

Regulators Challenge 2: Contributing to a digital world that is not only advanced and innovative but also inclusive and equitable

1. Digital divides have grown in significance, widening pre-existing inequalities and becoming a key factor of social exclusion. Hence new digital inequalities have become more evident as well as the clear realization of the importance of reducing regional inequalities and improving social cohesion.
2. Closing digital gaps has become one of the top political priorities around the world. As an example, the European Union Digital Decade Policy Programme defines among others the following objectives:
 - (1) a **digitally skilled population** and highly skilled digital professionals, with the aim of achieving gender balance, where:
 - (a) at least **80 % of those aged 16-74 have at least basic digital skills**;
 - (b) at least 20 million ICT specialists are employed within the Union, while **promoting the access of women to this field** and increasing the number of ICT graduates;
 - (2) secure, resilient, performant and sustainable **digital infrastructures**, where:
 - (a) **all end users** at a fixed location are covered by a gigabit network up to the network termination point, and **all populated areas** are covered by next-generation wireless high-speed networks with performance at least equivalent to that of 5G, in accordance with the principle of technological neutrality;
 - (3) the **digital transformation of businesses**, where:
 - (a) at least **75 % of Union enterprises have taken up one or more of** the following, in line with their business operations:
 - (i) **cloud computing services**; (ii) **big data**; (iii) **artificial intelligence**;
 - (b) more than **90 % of Union SMEs reach at least a basic level of digital intensity**;

(4) the **digitalisation of public services**, where:

(a) there is **100 % online accessible provision of key public services** and, where relevant, it is possible for citizens and businesses in the Union to interact online with public administrations;

(b) **100 % of Union citizens have access to their electronic health records;**

(c) **100 % of Union citizens have access to secure electronic identification (eID)** means that are recognized throughout the Union, enabling them to have full control over identity transactions and shared personal data.

3. **Policy example 1: Public funding and subsidies** are necessary to complement private investment where needed, to adequately address market failures in compliance with the applicable **State aid rules**.

- To close the digital divide in particular in rural and remote areas, the EU intensively supports investments through a number of funding tools such as the Recovery and Resilience Facility (RRF) the new Cohesion Funds, the European agricultural fund for rural development, the InvestEU and EIB loans, and the Connecting Europe Facility Digital.
- ⊖ At the same time, the Commission has updated its State-aid toolbox and in particular endorsed amendments to the General Block Exemption Regulation (GBER), which have the potential to facilitate, simplify and speed up public support for the EU's digital transitions, facilitating investments in digital technologies and connectivity.

4. **Policy example 2: Incentives to support research and development** in emerging digital technologies, open technology innovation and innovative business models according to the priorities of the population.

5. **Policy example 3: Sandboxes and testbeds**, or other safe spaces for experimentation and innovation for companies that bring new solutions and technologies to the market.

6. **Policy example 4: Universal service provisions** in principle aim to ensure adequate connectivity - broadband internet access as well as a minimum set of Fixed Telephony services - for every user, regardless of their geographical location, at an affordable price and in a technology neutral way. Furthermore:

- a. Special bundles to address connectivity challenges for vulnerable groups of the population, individuals and households with insufficient income and assets.

- b. Special bundles for people with speech and/or hearing problems and visual impairments.

7. **Policy example 5:** Facilitating **digital skill educational programmes in schools** along with training for the elderly, including rural, unserved and underserved areas, and populations in vulnerable situations.

The sustainability of digital transformation: how forward-looking and adaptable regulatory frameworks can drive a sustainable and effective digital transformation

Sustainable digital transformation will be based on sustainable digital infrastructure:

- Environmentally sustainable i.e. delivering lower energy consumption per bit transmitted)
- Financially sustainable no need for public subsidies to run day-to-day operations and maintenance
- Socio-economically sustainable. To the benefit of the societies and the economies. Sustainable by making our cities smarter and safer, together with enabling small businesses to innovate and large businesses becoming more efficient.